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AGENCY

20 APR 1948

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## MEMORANDUM FOR THE DIRECTOR OF INTELLIGENCE, (SUSA)

SUBJECT : Coordination on ORE 23-48, "The Current Situation in the Free Territory of Trieste"

REFERENCE : Memorandum, 11 April 1948, USGID 092, from Deputy Director of Intelligence, GSUSA, to Acting Chief, Estimates Group, ORE, CIA, (subject ORE 23-48), copy attached

1. The reference memorandum was received in reply to a request for a formal statement of concurrence or dissent on the subject paper. It will be noted that the reference is dated 11 April, and it was received in CIA on the afternoon of 16 April. Since subject paper went to press on 14 April, it was impossible to publish the statement of dissent at that time. Instead, the following paragraph was printed at the bottom of page 1 of the report:

"NOTE: The information in this report is as of 12 April 1948.

The intelligence organizations of the Departments of State, Navy, and the Air Force have concurred in this report; at the time of publication no official statement had been received from the Department of the Army."

2. Work was begun on the subject report late in March 1948. During the preparation of the report a representative of ORE had numerous conversations with a representative of ID, and there was no disagreement between them about the conclusions or method of presentation of the paper. On Thursday afternoon, 8 April, a representative of the Eurasian Branch, ID, telephoned a representative of the   EE/USSR Branch, ORE, stating that the Eurasian Branch concurred in the report, suggesting at the same time a few

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changes to which the ONE representative agreed and which were incorporated in the final draft of the report.

3. A draft of subject report was sent to the IAC agencies on 6 April for formal concurrence or dissent, with a request that such statements be returned by 1200, 9 April. Written concurrences were received from the intelligence organizations of State, Navy, and Air Force on or before 9 April.

4. No reply having been received from the Intelligence Division, GSUSA, by 1200, 9 April, a telephone call was made to that division at about 1500 to inquire when a statement might be expected. It was then explained by ID that it could not concur in subject report and that the formal dissent was not yet ready. The ONE representative then suggested that a meeting be held at which representatives of the two agencies could attempt to reconcile their differences. ID replied that the dissent, which naturally could not be discussed on the telephone, was too fundamental to consider reconciliation. The ID representative further declined negotiation after being told that the report had already been changed in conformity with objections of the State Department, which changes might possibly answer the objections of the Intelligence Division.

5. On 14 April it was found necessary in view of the approaching date of the Italian elections to go to press without having received an official statement from ID. The statement quoted above in paragraph 1 was published with the report.

6. Aside from the relatively minor problem of failure on the part of ID to meet the deadline, there are most disturbing implications to the situation as outlined above. Informal agreement was reached on the working level. This agreement was reversed at a higher level in ID in such a manner as to give no opportunity for further discussion or negotiation between the two agencies. As a result, the report was published without the benefit of full discussion of the official ID point of view. This point of view, if well taken, should of course have been incorporated in the report, and if the CIA representatives could not agree with the official opinion of ID, the statement of dissent should have been included with the report.

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7. The situation revealed by the foregoing paragraphs is precisely the type of problem which the coordination procedures set forth in NSCID #1 were designed to prevent. These procedures are meant to insure an opportunity for full and free discussion and for exchange of points of view between representatives of CH and the other intelligence agencies. In the present case it is clear that the internal procedures of ID made it impossible to achieve the purposes enunciated by the National Security Council in its directive cited above, and that the entire coordination machinery broke down.

8. The situation is therefore being brought to the attention of the Director of Intelligence, GSUSA, with the request that appropriate action be initiated to insure the proper implementation of NSCID #1.

SIGNED

R. H. HILLENKOETTER  
JEAR ADJUTANT, USN  
DIRECTOR OF CENTRAL INTELLIGENCE

Enclosure: copy of  
reference memo.,  
14 April fr ID

ORE:TBabbitt:fd

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